

# FISCAL NOTE

## SB 2646 - HB 2964

March 12, 1998

**SUMMARY OF BILL:** Provides that proof of insurance or bonding be a prerequisite for registration or renewal of registration of motor vehicles. Requires county clerks to verify this proof of insurance. Requires insurance companies to notify the insured and Department of Safety if coverage is no longer in effect. The department then notifies the insured, if registration is terminated. The insurer shall remain liable to the extent of the original policy limits during the period of validity until the notification to the department and the insured is provided.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$300, 000 Recurring**  
**\$550,000 One-Time**  
**Increase Local Govt. Expenditures\* - Exceeds \$100,000**  
**Decrease Local Govt. Revenues - Exceeds \$100,000**

Estimate includes an increase in personnel in the Department of Safety to handle the added responsibilities and a one-time increase for major system modifications to enable the department to account for and notify motorists if registration is terminated. Assumes a decrease in local government revenues, since county clerks will lose many of the one-dollar fees that they currently receive to handle the special mail renewal of license decals. Assumes an increase in local government expenditures, since county clerks are estimated to experience a significant increase of in-person renewals.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

**SB 2646 - HB 2964**